

AUGUST 2019
PUBLIC POLICY REPORT

FEDERAL UPDATE

Federal Reserve Cuts Interest Rates for the First Time Since 2008 Crisis

WASHINGTON — The Federal Reserve cut interest rates in late July for the first time in more than a decade, as it tried to keep America’s record-long economic expansion going by insulating the economy from mounting global risks. The widely expected quarter-point decrease was the Fed’s first since it slashed rates to near zero in 2008. But unlike those cuts, which were intended to rescue a failing economy, this move was seen as a precautionary effort to protect the United States from slowing growth in China and Europe and uncertainty over President Trump’s trade war.

President Trump Dismisses Fears of Looming Recession

President Donald Trump dismissed concerns of a recession in August and offered an optimistic outlook for the economy after the recent steep drop in the financial markets. “I don’t think we’re having a recession,” Trump told reporters as he returned to Washington. “We’re doing tremendously well. Our consumers are rich. I gave a tremendous tax cut and they’re loaded up with money.” A strong economy is key to Trump’s re-election prospects. Consumer confidence has dropped 6.4 percent since July.

STATE UPDATE

Ethanol Plants Shut Down as Demand Wanes

Merill, Iowa-based Plymouth Energy is one of at least 10 ethanol plants in the country to temporarily suspend production and three to close amidst a supply glut. A supply-demand imbalance caused by federal blending waivers granted to big oil companies is at fault, according Iowa Renewable Fuels Association Executive Director Monte Shaw. The oversupply makes future production cuts inevitable and fuel price hikes likely at a time when corn prices are making production even more expensive.

MidAmerican to Build EV Fast-charging Station Network

MidAmerican Energy has launched a new effort to establish a network of electric vehicle fast-charging stations in more than a dozen cities throughout Iowa. The company plans to build publicly accessible direct current fast-charging stations, with two charging plugs per station, in 15 urban and rural communities. A DC fast-charger, also called a "Level 3" charger, can generally charge an electric vehicle in 20-45 minutes.

Upcoming Activities

Eastern Iowa Light & Power Cooperative Annual Meeting – Davenport, IA	September 5, 2019
Southwest Iowa REC Annual Meeting – Lenox, IA	September 5, 2019
Electrify Iowa Summit – West Des Moines, IA	September 5, 2019
NRECA Regions 5&6 – Milwaukee, WI	September 11-12, 2019

Clarke Electric Cooperative Annual Meeting – Osceola, IA
 Farmers Electric Cooperative Annual Meeting – Greenfield, IA
 NRECA Gettysburg – Gettysburg, PA
 NRECA PowerUp Conference – Salt Lake City, UT
 IAEC Fall Legislative Fly-in – Washington, DC
 IEC Bright Ideas Breakfast – Des Moines, IA
 Linn County REC Annual Meeting – Cedar Rapids, IA
 CIPCO Board Committee Meetings – Des Moines, IA
 CIPCO Board Meeting – Des Moines, IA

September 16, 2019
 September 17, 2019
 September 17-19, 2019
 September 23-25, 2019
 September 23-25, 2019
 September 26, 2019
 September 27, 2019
 September 30, 2019
 October 1, 2019

Consumer Price Index

Month	Seasonally Adjusted Change from Previous Month
July 2019	0.3%
June 2019	0.1%
May 2019	0.1%
April 2019	0.3%
March 2019	0.4%
February 2019	0.2%
Unadjusted Rolling 12 Month Average: 1.8%	